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THESIS

Collegiate Atmosphere In The Factory As A Means of Reducing Labor Turnover

by

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(B.S. Providence College 1946)

submitted in partial fulfillment of
the requirements for the degree of

MASTER OF BUSINESS ADMINISTRATION

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CHAPTER I

INTRODUCTION

In the fall of 1946 a new and very novel experiment in personnel relations was begun when the management of the Crown Manufacturing Company of Pawtucket, Rhode Island formally decided to do everything feasible to develop an idea which had begun as a gag into a complete program of personnel administration.

The gag was the calling of the company's plant "the college" by the employees, probably because the mill looks more like some sort of educational institution than it does an industrial plant. Among New England's grimy, ancient, plants this mill stands out. Its appearance is so different from that of the many other mills which are within a radius of a few miles of it that a person who does not know that it is a textile mill would not be likely to recognize it. The Providence (R. I.) Evening Bulletin of November 21, 1946 reported that when the president of the Crown Manufacturing Company, Joseph H. Axelrod, bought the mill in 1945 and brought Vice President and General Manager Kenneth B. Cook down to look the place over, they drove right past the building, believing it to be some sort of hospital.

Axelrod promoted this novel idea of considering an industrial plant as a "college" by means of various structural improvements such as landscaping lawns, decorating the plant

in cheerful colors, and building a playground and baseball diamond; the inauguration of various activities commonly associated with college life; and the use of collegiate terms such as "student", "professor", and "dean". The development of this idea and the activities which go to make up the collegiate atmosphere which exists at the Crown Manufacturing Company, or "Crown College" as it is commonly called, are explained in detail in Chapter II.

It should be understood at the outset that the elements which help to create the "college" atmosphere of the Crown Manufacturing Company are those outward manifestations which are associated with college life in the minds of those persons who have not had the opportunity to attend institutions of higher learning. Since all but a few of the textile employees in the area in which the Crown Manufacturing Company is located fall into this classification, the term collegiate atmosphere as used in this thesis has the connotation mentioned above. As in considering any other personnel problem, situational thinking is necessary in order to properly understand the significance of the facts presented.

The Providence Evening Bulletin in the story mentioned above--an article which appeared on the front page of its November 21, 1946 editions--expressed the impression which the plant made on one of its writers by saying, "The landscaped, painted building has ... campus atmosphere." This points out the fact

that this program emphasizes the physical aspects of college life existing in the popular mind.

Treasurer James J. Axelrod, father of the youthful president of the company, summed up his attitude according to the above-mentioned newspaper article by saying:

> It's part of our program for keeping the textile industry in New England. We've got to have greater technical knowledge, more efficient workers, and a higher rate of production if we are to overcome the mass movement of the industry to the South.
>
> Only through wider training facilities can we hope to accomplish this. And, of course, we have to make the work more attractive for the workers. If it aids morale to have the corridors and rooms in this building painted and finished so they become the hallowed halls of an alma mater, then it's little enough to do. We're all for it.[1]

Time magazine in an article in its February 2, 1948 number entitled "Crown College Days" included the following in its description of the"Crown College" program:

> To pep up morale in his main Crown plant in Pawtucket, R. I., Joe (Axelrod, ed.) built glass-enclosed smoking rooms, decorated the plant in cheerful colors, landscaped its lawns, built a playground and baseball diamond. Among New England's grimy, ancient plants it so stood out that workers began calling it Crown College.
>
> Joe went along with the gag. He was "Prexy", the general manager's office was labeled "Dean", overseers became "professors", lavatories were marked "Boys" and "Girls", the

[1]"Crown Mill Finds 'College' Gag Attracts Workers", Providence Evening Bulletin, November 21, 1946, p. 1

> the workers became "students". Then Joe started a real school, with eleven courses in textile technique (one class a week) for Crown workers. Joe's idea was to train workers for the new cost-cutting machines and processes he was constantly installing in his plants. It paid off double; the school became so popular that during the worst of the manpower shortage Joe had more applicants than he could hire.[1]

The problem involved in this thesis is that of determining whether or not a program aimed at creating what in the popular mind is collegiate atmosphere; i.e., a program consisting of those physical entities and activities which the ordinary worker thinks of when he hears the word 'college', is an effective and worthwhile means of reducing labor turnover.

Since the Crown Manufacturing Company is the only industrial concern which has, or has had, a program of collegiate atmosphere as such, the effect which its personnel policies have had on its labor turnover, as nearly as can be determined, and the cost of bringing about and maintaining this program will be used as the basis for determining whether or not this plan is worthwhile.

Chapter III enumerates the costs attributed to the Crown Manufacturing Company's program. Chapter IV shows the effect of the program on various indications of labor turnover by comparing the statistics on these indications before and

[1] "Crown College Days", Time, February 2, 1948, p. 78

after the plan went into effect. Chapter V endeavors to determine the effect of the program on the labor turnover by comparing the company's turnover rates before and after the initiation of the program, by comparing the company's turnover rates with those for all manufacturing industries in the U. S. A. and all industries in the state of Rhode Island, and by comparing the company's record with that of the textile industry in the U. S. A. as a whole and in Rhode Island. Chapter VI presents an evaluation of a program of collegiate atmosphere in the sense used by the Crown Manufacturing Company as a means of reducing labor turnover.

It should be mentioned at the outset for the purpose of making the subsequent matter somewhat clearer that the Crown Manufacturing Company is a textile manufacturing concern. It was purchased in 1945 by Joseph H. Axelrod, who owns and operates seven textile mills located in five cities in Massachusetts and Rhode Island--an integrated organization which performs all the operations necessary for the making of finished cloth and includes two selling agencies in New York City's textile district. The physical property of the former Crown Manufacturing Company was purchased by Mr. Axelrod in order to provide facilities to produce blended fabrics of rayon and wool fibers for sportswear and men's and women's suitings.

The plant is a single large four-story brick building of mill-type construction. It is approximately 150 feet

wide and 600 feet long. Prior to its purchase by the Axelrod interests the Crown Manufacturing Company was for thirty-five years a well-known producer of cotton thread yarns, known particularly for the high quality of its products. Since its change of management the company has pioneered in the spinning and weaving of blended yarns and fabrics and now produces a high quality of blended fabrics. The most modern machinery is used in the plant. Some of it is so new and so unique that employees have to be schooled in its operation even though they may be veterans of twenty or more years in the industry.[1] The company had 958 employees at the end of November 1947, including the office force.

Labor turnover was chosen as the measure of the effectiveness of the Crown Manufacturing Company's program of collegiate atmosphere because the principal reason for the sponsorship of the plan by the company was a desire to reduce labor turnover.[2] In addition, labor turnover rates provide almost the only quantitative measure of industrial unrest in the United States. About the only other quantitative measure of unrest in the United States is the number of strikes and strikers[3] and since this manifestation of unrest seldom occurs

[1] "Axelrod, Textile Empire Builder, Wins Title of 'Good Joe'", Providence Sunday Journal, December 14, 1947, Sec. III, p. 6

[2] Interview with Mr. R. B. Cook, Vice President and General Manager, Crown Manufacturing Company, October 21, 1947

[3] Scott, W.D., R. C. Clothier, S. B. Mathewson, and W.R. Spriegel, Personnel Management, New York, McGraw-Hill Book Company 1941, p. 489

in most industries and occurs only when unrest has reached a critical stage, it is not a satisfactory measure of industrial unrest. The fact that a company has never had a strike does not mean that there is an absence of unrest and dissatisfaction among its employees. Labor turnover is the form of inarticulate industrial unrest which is most widely recognized and is most amenable to statistical treatment.

There is no complete agreement as to just what labor turnover is or how it can be measured and should be measured. In its simplest terms, it is the flow of employees into and out of an organization. According to Ordway Tead, it is the "shifting which takes place in an organization's working force."[1] S. H. Slichter says that it is, "the change in the force due to men leaving."[2]

Data on labor turnover in the United States are collected by the Bureau of Labor Statistics which secures monthly reports from approximately 5,800 representative firms, employing more than 2,550,000 workers.[3] These concerns represent every section of the nation. A total of 135 different industries are included in this survey. The data also

[1] Tead, Ordway, and Henry C. Metcalf, Personnel Administration, New York, McGraw-Hill Book Company, 1933, p. 135

[2] Slichter, S. H., The Turnover of Factory Labor, p. 61

[3] Scott, W.D., R. C. Clothier, S. B. Mathewson, and W. R. Spriegel, Personnel Management, New York, McGraw-Hill Book Company, p. 498

provide detailed information for 36 different industries and thirty states. The bureau does not publish the net labor turnover rate but publishes the detailed information from which this or other ratios may be computed. Published rates are released through the Monthly Labor Review, special bulletins describing labor turnover, and the Survey of Current Business.

Establishments report voluntarily to the bureau upon a regular form that asks for specific data concerning:

1. Number of separations during the period:
    a. Number of quits
    b. Number of discharges
    c. Number of layoffs
    d. Number of miscellaneous separations
    e. Total separations
2. Accessions (persons hired)
    a. Rehired
    b. New hires
3. Number of workers on the payroll:
    a. At the beginning of the period
    b. At the end of the period

The two items listed under number three above are used to secure a measure of the average working force or number on the payroll, which is calculated by adding the two figures and dividing by two. In the category of quits fall all separations from jobs undertaken voluntarily by employees for any reason. A quit is defined as "a termination of

employment generally initiated by a worker because of his desire to leave, but sometimes due to physical incapacity."[1] The bureau's quit rates are influenced by the fact that the companies reporting labor turnover information are instructed to report as quits all unauthorized absences of seven or more workdays. A number of companies, because of union agreements or established accounting procedures, consider employees as having quit after only three to five days' absence. Some companies record as quits all persons who have been hired but who fail to report for work.[2]

Discharges are terminations of employment initiated by the employer with prejudice to the worker because of some fault either in ability or character on the part of the worker.[3] Layoffs are terminations of employment initiated by the employer without prejudice to the worker. They involve no personal element but are the result of some change in production schedule which necessitates reduction in the working force. If the name of the employee is not removed from the payroll and the layoff is brief, it need not be reported.[4]

Miscellaneous separations include military separations which are defined to include all terminations of

[1]Yoder, Dale. Labor Economics and Labor Problems, New York, McGraw-Hill Book Company, 1939, p. 232

[2]Ibid., p. 233

[3]Ibid., p. 233

[4]Ibid., p. 233

employment by both men and women workers for the express purpose of joining the armed forces, whether by voluntary enlistment or through the Selective Service System. The miscellaneous category also includes those separations from the work force which are due to retirement or pension, permanent disability, or death.[1]

An accession is the "hiring of a new employee or rehiring of an old employee."[2] Accession rates may be somewhat inflated by the fact that employees whose names have been automatically removed from the pay roll, because of unauthorized absence, are counted as accessions upon their return to work. Transfers from one plant to another of the same company are not considered accessions or separations.

The bureau calculates rates for each of these changes (for instance, quits) per 100 of the average working force. The definition of the average working force is rather a crude one for some of those whose names appear may be working only part time and the aggregate may include varying proportions of men and women, and of young and old. Probably, however, the basis used is the best that can be maintained where reporting is so extensive and is entirely voluntary.

[1] Yoder, Dale. Labor Economics and Labor Problems, New York, McGraw-Hill Book Company, 1939, p. 234

[2] Ibid., p. 234

Rates thus calculated for one firm might appear as shown in Table I. The data used in this table are assumed for purposes of illustration.

TABLE I

TURNOVER RATES IN A SINGLE ESTABLISHMENT

Data: Assumed for purposes of illustration

Number on the payroll at the first of the month	214
Number on the payroll at the end of the month	250
Average	232

	Numbers	Rates
Quits	2	0.86
Layoffs	27	11.64
Discharges	3	1.29
Total Separations	32	13.79
Accessions	68	29.31

There is no agreement as to which of these rates may be taken as the best measure of industrial unrest. There are dozens of formulas for measuring labor turnover, each of which taken into consideration a variety of factors. Scott, Clothier, Mathewson and Spriegel say that, "as to the

measurement of this phenomenon, there are at least 17 different formulas for computing it."[1] Some of these formulas are fairly complicated, and therefore have never been used to any extent.

In older practice the total separation rate was generally used. This was the rate used by the Bureau of Labor Statistics as the labor turnover rate in its reports prior to 1929.[2] However, the number of separations reflects in addition to dissatisfaction of workers with their employment, the seasonal and cyclical position of each business establishment. When business enters upon seasonal or other decline, separation rates increase rapidly since it is necessary to discharge or lay off large numbers of employees. On the other hand, separation rates naturally decline in a period of increased business activity, so that comparisons of separation rates for the two periods provide little if any real measure to industrial unrest.

In order to provide a more representative picture of labor turnover, a somewhat different rate, known as the net labor turnover rate, is now commonly used, according to Dale Yoder.[3] It is defined as the number of replacements

[1]Scott, W.D., R.C. Clothier, S.B. Mathewson, and W.R. Spriegel, Personnel Management, New York, McGraw-Hill Book Company 1941, p. 496

[2]Yoder, Dale, Personnel and Labor Relations, New York, Prentice-Hall, Inc., 1938, pp. 271-276

[3]Yoder, Dale, Labor Economics and Labor Problems, New York, McGraw-Hill Book Company, 1939, p. 235

per 100 workers of the average work force. A replacement is an employee hired to take the place of one separated from the pay roll. Accordingly, the net labor turnover rate equals the separation rate or accession rate, whichever is smaller. Expressed in terms of a formula,

$$\text{Net labor turnover} = \frac{\text{total replacements}}{\text{average work force}} \times 100, \text{ or } \frac{100R}{N}$$

In the instance illustrated in Table I, the rate thus calculated is 13.79. This rate avoids the difficulties noted in connection with the separation rate. In periods of business expansion, the net labor turnover rate is the same as the separation rate. In periods of recession, it is identical with the accession rate. Since the net labor turnover rate is "clearly superior to the separation rate as a measure of industrial unrest",[1] it is the rate which is used for measuring labor turnover in this treatise.

Because of the variation in the number of work days in the various months, it is not logical to compare one month with another unless it has been adjusted for the difference in the number of days. A month may be converted to an equivalent annual rate by multiplying the actual monthly turnover rate by a factor equivalent to 365 divided by the number of days in the given month (This factor is 11.77 for 31 days;

[1] Ibid., p. 235

12.17 for 30 days; 12.62 for 29 days; and 13.04 for a month with 28 days) or it may be converted to a daily rate by dividing by the number of days in the month.

The importance of giving attention to labor turnover has been brought out by Paul Pigors and Charles A. Meyers. They have said the following concerning this subject:

> Since personnel mobility requires adjustments by all concerned, it obviously involves some cost...line officials are often unaware of the extent and nature of the damage done even by such an obvious manifestation of poor management as excessively high turnover rates ... they might be shocked if they realized all the financial waste involved.[1]

Since the factors, conditions and influences which cause employees to quit naturally react unfavorably on those who remain, undermining morale and reducing efficiency, any program which reduces labor turnover not only cuts costs, but makes for an ample, satisfied and efficient work force. This was the reasoning which the Crown Manufacturing Company employed in deciding to turn the "Crown College" idea into a complete program of personnel relations.

[1] Pigors, Paul and Charles A. Myers, Personnel Administration, New York, McGraw-Hill Book Company, 1947, p. 224

CHAPTER II

HOW A GAG GREW INTO A COMPLETE PROGRAM OF PERSONNEL RELATIONS

As was indicated in Chapter I, the collegiate atmosphere which the Crown Manufacturing Company has attempted to create consists of those physical objects and services which the average mill worker thinks are a part of college life. In other words, as nearly as is practicable, an atmosphere has been developed to parallel collegiate atmosphere as pictured in the minds of the majority of the company's employees.

When members of the management learned that the employees were calling the mill "the college" because it looked more like an institute than a textile mill in comparison to the dirty, ugly mills in the vicinity, they decided to go along with the gag. However, instead of remaining as a short-lived gag and fading out in a short time, it turned out to be the basis for a most spectacular personnel program developed during that year in the region, if not in the nation.

Not knowing at that time how far the plan would go, President Axelrod and Vice-President Cook decided that it would take only a few improvements to make the mill actually look somewhat like a college. They had the lawns and grounds landscaped and shrubbery planted. A high wrought iron fence was put up around the building. The lawns subsequently became

as lush as the fairways of a golf course and were banked about with flower beds and shrubs that bloom from early spring until late autumn. A level baseball diamond and playground were prepared and landscaped with a lawn. A large back-stop and players' benches were erected.

The program of making the mill look like a college did not stop with exterior improvements. Many interior changes were made. Offices and corridors were finished in warm, cheerful colors, adding to the institutional appearance already created by the extensive wood trim in the offices and the corridors.

A large sign proclaiming "Crown College" was placed on the lawn in front of the building. The personnel manager found a new title on the door of his office; it was "Director of Admissions". Kenneth B. Cook, who on legal stationery signs himself Vice-President and General Manager became to all attenting "Crown College" just plain "Dean". Overseers were known within the organization as "professors". The washrooms were identified for "Boys" and "Girls". Shortly thereafter all stationery, inter-mill correspondence, report forms, etc., contained somewhere the words "Crown College".

Glass-enclosed and fireproof smoking rooms were constructed in each department. They were placed adjacent to exterior windows in order to allow the "students" to observe the surrounding countryside while relaxing in them. Schedules were posted giving frequent smoking periods. This was an innovation in the textile industry.

About the time that the "college" idea was brought to the attention of the management the personnel situation became fairly desperate. This was in the fall of 1946. New employees were needed, both skilled and inexperienced. Because the plant is some distance from the main routes of travel in the area, it had always been difficult to maintain a sufficient labor supply.

The Personnel Manager contacted some of the veteran workers. He learned that the "Crown College" idea had created a considerable amount of interest in the communities in the area as well as among the employees.[1] He discovered that among the women workers the idea of calling their place of employment a college was not only well received but taken very seriously. "Women", he deduced, "don't like to work in a mill. But they will do mill work in a place called a college."

Therefore, after a "faculty" conference at which President Axelrod advocated capitalizing on the college idea, full-page advertisements were bought in local newspapers in October of 1946. Among the newspapers which carried these advertisements were the Providence Journal, Providence Evening Bulletin, Pawtucket (R.I.) Times, Woonsocket (R.I.) Call, and the Attleboro (Mass.) Sun. The reading public was urged

[1] Interview with Mr. Stephen Gnot, Personnel Manager, Crown Manufacturing Company, November, 1947

to come to work at "Crown College" to study and be a part of the romance of industry in one of New England's leading textile mills, to take full courses in spinning, winding, carding, weaving, loom fixing, maintenance, yard work or miscellaneous work.

A little later advertisements were placed in the Journal of Commerce and the Daily News Record, all of which featured the "Crown College" idea. Through the courtesy of the Phoenix National Bank of Providence, a radio presentation concerning "Crown College" was broadcast by a local station.

"Faculty" heads are still spinning because of the results. Within three days after the advertisements were placed in the local newspapers more than 250 applications for work had been received--more than had been received in the entire year before that. More persons were interviewed in the three days following the printing of these advertisements than had been interviewed in the six previous months.

All existing openings were promptly filled and a long waiting list of those wanting to go to work at the "College" was compiled. Results were so astounding that the management had the advertisements printed in New York newspapers. Within a few days applications for admission to "Crown College" were pouring in from all over the country. Some New Yorkers came to the mill with folded copies of the advertisement in their pockets. Most of them were put to work. Letters came from California, from Minnesota, from

the midwest, from the south.

A Puerto Rican organization planning to establish a new textile mill in Puerto Rico wrote to ask if a delegation of Puerto Ricans could be sent to the "college" to learn how to perform some of the operations in a textile mill.

Other activities and facilities were added to the "college's" program. During every shift a mobile canteen, a one-ton portable snack bar bearing sandwiches, milk, coffee, soda pop, soups, pastries, and candy, tours the plant. It is well attended wherever it goes. The food is prepared in the nearby "Crown College" Annex, which was formerly the home offices of the Home Bleach and Dye works. This building, which was taken over by the company about a year after the present management bought the mill, looks much like a "campus" structure. It is a low lying brick building situated between a swift flowing brook and the highway on which the plant is located. Like the "college" establishment it is surrounded with carpet-like lawns and is landscaped with shrubs and flowers. There is also a cafeteria in the Annex which serves complete meals in an attractive, quiet, and spotless setting. The dining room looks more like a city restaurant than a factory cafeteria. The kitchen is as clean and orderly as that in any private home. A full-time manager is in charge of this activity.

Because the transportation facilities proved inadequate, with no bus service within a half mile of the plant,

the company purchased two busses which are used by the employees at the beginning and end of each shift. As for upkeep on busses, the "college's" own mechanics maintain these vehicles and keep them in good condition.

One of the most popular features of the "Crown College" program is the monthly magazine "Crown College" Capers which is published for the "student body". This publication was described by Donald I. Rogers, Business Editor of the Providence Journal, as having fine composition, make-up and general interest. Mr. Rogers stated, "It's as fine as any plant paper I've seen."[1] Mr. William B. Dall, Managing Editor of Textile World said shortly after the publication of the first number, "You have produced a very interesting plant magazine, and the idea of 'Crown College', complete with alma mater song, is an extremely interesting and stimulating conception."[2]

This periodical has most of the essentials of good house organs[3] and features many personal items as well as articles on safety, company history, plant processes, the employees' association, waste, athletic teams, recreational

[1] "Crown College" Capers, Crown Manufacturing Company, Pawtucket, R. I., March 1947, Vol. 1, No. 2, p. 2

[2] Ibid., p. 2

[3] Scott, W. D., R. C. Clothier, S. B. Mathewson, and W. R. Spriegel, Personnel Management. New York, Mc-Graw Hill Book Company, 1941, p. 389

activities, social events, and company policies. A large number of photographs are included, adding to the eye appeal and forcefulness of the publication. A full-time publicity director edits the house organ in addition to his other duties.

In January 1947 an employees' association was formed and called the "Crown College" Employees Association. According to the Constitution and By-Laws, the purpose of this association is "to promote employee fellowship through recreation and social activities". A general election was held by the employees in order to choose departmental representatives to the governing body of the association--the Council.

The number of representatives to the Council from each department, each shift, is determined on a per capita basis, established annually by the Council in office. Council members are elected annually by the members of the association by ballot. Council members hold office for three years. The Council appoints from its members the chairmen of such committees as it deems necessary.

Any employee of the company may become a member of the employees' association upon payment of dues. No person can become a member of this association unless he is employed by the Crown Manufacturing Company. The officers of the association, a president, a vice-president, a treasurer, a

financial secretary, and a recording secretary, are elected by the members of the Council from within its own membership, except for the treasurer who is always the office cashier of the company and a member of the Council ex-officio. The Constitution states that the vice-president of the association must be a woman. No elected officer is allowed to serve for more than two consecutive terms.

The dues are ten cents a week and any member who owes more than four weeks' dues loses his membership and cannot become a member again until all arrears have been paid up. The Council meets monthly. Attendance is high at these meetings at which various recreational, athletic, and welfare activities are discussed and planned.

There is an Executive Committee consisting of the five officers of the association whose duties are to have general screening of the activities of the association and to direct its policies and operations in all matters relating to the objects for which it was formed.

One of the most successful activities conducted by the association is the bowling leagues--men's and women's--both of which have brought together socially a large number of co-workers and have resulted in spirited competition and friendly rivalry. At the end of each season, each league holds a banquet at which prizes are awarded to the team and individual winners.

The employees' association conducts an annual outing. More than 900 members of the association and their families attended the first outing, which was held on July 19, 1947 at Lincoln Park, an amusement part located in North Dartmouth, Massachusetts. A long motorcade composed of a dozen busses and a number of automobiles transported the members of the association and their families from the "college" to the park.

An ambitious program was carried out at the park which included sports events for persons of all ages, with prizes for the winners, and a softball game between the "Crown College" team and the team representing the Wamsutta Mills of New Bedford, Massachusetts, controlling interest owned by President Joseph H. Axelrod and his father, Mr. James Axelrod. A dinner was served to all those attending and prizes were awarded to the holders of "lucky" numbers, including such items as washing machines, radios, and sets of sheets and pillow cases.

Even President Axelrod attended the first annual outing despite the pressure of his duties as president of seven textile mills and engaged in every phase of the day's activities. The "Crown College" Capers reported that there wasn't a ride or game in the park that he did not try.[1]

[1] "Crown College" Capers, Crown Manufacturing Company, August 1947, Vol. 1, No. 6

The outing was an activity planned and conducted by the employees' association. An outing committee appointed by the Entertainment Committee of the association was in charge of the affair. Many meetings were held and details worked out. Everyone was given a job to do. Council members and their alternates pitched in. Management caught the enthusiasm and lent a generous hand. The association's advisor, Thomas Toole, Sales and Production Manager did much to make certain that everything would run smoothly. According to the "Crown College" Capers, everyone agreed that except for a slight hitch here and there they had a good day at the first outing every held by Crown's "student body".[1]

One type of activity which is considered a vital part of collegiate atmosphere by most factory workers is an athletic program. Most New England textile workers have heard of such institutions of higher learning as Notre Dame and Boston College mainly through the successful football teams which these colleges have had. In order to add to the collegiate atmosphere pervading the company, an athletic program was developed.

"Varsity" teams are fielded in softball and basketball. These teams are composed of bona-fide "students" and are members of leagues which maintain rules of eligibility.

[1] Ibid.

The softball team plays its home games and practices on the large athletic field which is adjacent to the main building. The members of the team wear colorful uniforms with the letters forming the words "Crown College" on the front of the shirts and jackets. The team is a member of the Rhode Island Industrial Softball League.

The softball team's home season is usually opened with ceremonies in which the top officials of the company take an active part. Full reports of the team's games are given in the monthly magazine and statistics concerning the activities of the team and its individual members are compiled and published.

The basketball team is a member of the Rhode Island Industrial Basketball League and also wears attractive uniforms of the 'school's' colors--blue and gold. League games are played at the Pawtucket Boys' Club gymnasium in the city in which the plant is located.

One of the features of the softball and basketball games is the support given the teams by the "students" who are exhorted to give vocal encouragement to the participants by a squad of lively and attractive cheer leaders in white shorts and T-shirts decked with Crown's blue and gold. These cheer leaders are all "co-ed students" at the "college".

Another popular feature of the "college" which has helped to create a collegiate atmosphere is the lounge

adjacent to the cafeteria where members of the office force can relax after a hearty meal and other "students" can obtain recreation during their leisure hours. It is furnished with comfortable easy chairs, smoking stands, tables, benches, magazine racks, mirrors, pictures, colorful draperies, and even a piano which is often played by talented "students". This feature is similar in nature to the actual collegiate situation found in a student union.

The lounge is large enough to permit all of the office workers and technical personnel or a sizeable number of the other "students" to use its facilities at one time and the former can usually be found there during their lunch hour engaged in reading, singing, knitting, playing card games or other games, talking or simply resting.

Although not strictly a part of the program of collegiate atmosphere, security benefits provided by the "administration" include the Blue Cross Hospitalization insurance plan, payments for surgery, and group life insurance.

Probably the activity which most impresses the "students" as being symbolic of collegiate atmosphere is the company's educational program. A bulletin somewhat in the style of a college bulletin is published early each fall announcing a series of "extension courses". These courses are described in detail in the bulletin.

Eleven courses are given each year, each one requiring two Monday sessions. The classes begin in November and are concluded at the end of April. Classes are of two hours duration. Second shift "students" meet from 1:CO p.m. to 3:CO p.m.; first shift "students" from 4:CO p.m. to 6:CC p.m. Third shift "students" attend either class they desire.

Classes are held in the classroom in the Crown Annex. Classes are limited to about 35 "students" and applications are accepted in the order received. If more than this number of applications are received for any particular course, arrangements are made to hold extra classes. In order to attend classes, applications for enrollment are filled out. Every "student" is entitled to an application in addition to a printed list of all courses offered in a particular season. Any "student" of the "college" is eligible for these courses whether male or female. Selection of the courses rests with the "student", who may elect as many or as few courses as he wishes.

During the "first semester" of the 1947-48 season, which extended from November 1, 1947 through January, 1948, the following courses were given: "Opening, Picking, and Carding"; "Winding, Twisting and Warping"; "Slashing, Drawing-In, and Weaving"; and "Textile Designing and Cloth Construction".

The following courses were listed for the "second

semester", extending from February 1, 1948 through April 1948: "Textile Testing"; "Plant Maintenance"; "Elements That Enter Costs"; "Time and Motion Studies and Setting of Rates"; and "Personnel Administration".

At the conclusion of the entire season's program certificates are awarded to each student who has satisfactorily completed work in six or more of the courses. There are question and answer periods at the end of each lecture.

Classes are conducted by the members of the "college's" own "faculty", most of whom are graduates of textile schools or colleges. In addition to the technical knowledge which they possess, they have the benefit of many years of practical experience. At regular intervals during the sessions, outside instructors from well-known textile schools and colleges come to lecture to the classes.

By presenting these "extension courses" the "administration" seeks to encourage the serious-minded "students" in their search for opportunity and knowledge. It should be mentioned that these courses are given outside of the "student's" working hours. They are not given on company time and the "students" receive no pay or other compensation for the time they spend attending these classes. As nearly as can be ascertained, this is not the usual practice in many companies. It serves, however, to give some indication of the excellent relations which exist between the management

and the workers and the belief of many of the "students" that the "faculty" is genuinely interested in their welfare.

One of the most significant outcomes of the "college" program is the pleasant relations which the Crown Manufacturing Company has enjoyed with the labor union which its "students" chose to represent them. All the "students" are members of the Textile Workers Union of America (CIO).

The union local has been very cooperative in helping to solve mutual problems and has supported the "Crown College" program enthusiastically. One illustration of this is the fact that the officers of the "college's" union composed and sent a letter to the "administration" with the help and encouragement of the Regional Representative of the Textile Workers Union of America (CIO) congratulating the "Dean" upon the publication of the "college" magazine.

CHAPTER III

COSTS OF BRINGING ABOUT AND MAINTAINING COLLEGIATE ATMOSPHERE

A. Landscaping, Shrubbery, and Maintenance of Grounds

The costs of bringing about and maintaining a program of collegiate atmosphere such as that of the Crown Manufacturing Company cannot be overemphasized since no prudent management would undertake such a program if the costs were so high that they would clearly outweigh any possible benefits therefrom.

It is difficult to segregate the costs which should rightfully be charged to the "Crown College" program. In order to obtain as accurate an estimate as possible of the costs involved in the Crown Manufacturing Company's program of collegiate atmosphere, the Vice-President and General Manager was asked to give the total cost of bringing about the desired atmosphere, broken down into items and the annual cost of carrying on the program, also by items. This information, he gave, exactly as it had been estimated by the management.[1]

The company has not attempted to determine the costs of the program with perfect accuracy but it has compiled the approximate costs as a guide to management decisions.

[1]Interview with Mr. K. B. Coon, Vice President and General Manager, Crown Manufacturing Company, December 23, 1947

Only those items which were undertaken to create a collegiate atmosphere or as an integral part of the "Crown College" employee program were included. Several items which do not necessitate any expenditures by the company are mentioned below to point out the fact that some of the features of the "college" program involve no cost to the company.

The first item undertaken to help produce a college atmosphere was landscaping and planting of shrubbery. As was mentioned earlier, the employees began calling the mill "the college" because it resembled their sterectype of a college building. Therefore, the first thing that the company did to develop this gag or impression into a complete program was to make the plant look more like this stereotype of a college building by landscaping the grounds and planting shrubbery.

The initial cost of performing these activities, plus preparing and planting flower beds, was approximately $1,000.00. The annual cost of maintaining the grounds, caring for the lawns, trimming shrubs, and planting flowers is estimated at between $500.00 and $600.00. It is not necessary for an employee to devote all his time to these tasks. As may be surmised from the annual cost figure, these activities can be carried on by the plant maintenance department when the pressure of other work is not great.

B. Wrought-iron Fence and Other Structural Improvements

The high wrought-iron fence which was erected in order to make the plant look more like a college building in the eyes of the employees encloses about one half of the grounds. The cost of purchasing and erecting the fence plus a few minor structural improvements undertaken specifically to make the building look more like a college amounted to about $1,000.00. The annual cost of maintaining the fence is negligible.

C. Baseball Diamond and Playground

Since there was a large level area immediately adjacent to the mill it was not difficult to create a baseball diamond and a playground to further the "Crown College" program. The principal costs involved were those incurred in procuring and erecting a back-stop for the baseball field and players' benches. These totaled not more than $500.00. Less than $200.00 annual expense is incurred in maintaining this area since it requires little attention.

D. Interior Painting

By no means all of the cost of interior painting has been charged to the "college" program since some painting would have to be done even if no attempt were made to create a collegiate atmosphere. However, some interior painting was done specifically to make the plant look more like a college.

As has been noted, some walls were finished in warm, cheerful colors to increase the institutional appearance of the mill. The cost of this particular painting was at least $1,000.00. No annual cost will be charged against the program for general interior painting.

E. Smoking Rooms and Lounge

One of the most popular feature of the "college" program is the smoking rooms and lounge. Shortly after the plan went into effect several glass-enclosed, fireproof smoking rooms were constructed in the plant and a room in the Crown Annex, adjacent to the cafeteria, was furnished for use as a lounge. The "students" consider such comforts as a vital part of college life. The cost of construction of the smoking rooms and furnishing of the lounge was approximately $1,200.00. An annual expenditure of about $500.00 is deemed sufficient to cover the cost of upkeep of the smoking rooms and lounge. This includes providing newspapers, magazines, furniture and other incidentals for use in the lounge.

F. Mobile Canteen and Cafeteria

One of the largest items of cost in the "Crown College" program is that attributed to the "college" cafeteria and the mobile canteen. These services were supplied only after the program of collegiate atmosphere was initiated.

The employees consider these facilities as a result of the particular working conditions existing because of the "college" program since no other textile mills in the area have a cafeteria, restaurant, or any other type of food service.

A portion of the "Crown College" Annex was made into a cafeteria, including a kitchen, a dining room and a counter area. About eighteen tables and four times that number of chairs had to be obtained for the dining room, as well as a water cooler, a floor linoleum, pictures, draperies, and ash trays. A refrigerator, storage cabinets, cutlery, chinaware, pots and pans, a stove, and miscellaneous utensils had to be obtained for the kitchen. Some plumbing work had to be done. Several minor structural alterations had to be made.

The total cost of preparing the cafeteria for use and obtaining a mobile canteen was about $4,700.00. A full-time manager, as has been pointed out, operates the cafeteria. The annual cost of providing the cafeteria and mobile canteen service is estimated at about $1,000.00. This is the differential between the cost attributed to the cafeteria and mobile canteen and the income from sales of food. The cafeteria and canteen are operated strictly by the Crown Manufacturing Company, not by means of any arrangement with outsiders.

G. Advertising and Signs

The cost of all advertising to publicize the "Crown College" project and all signs used as part of the "college" atmosphere amounts to about $500.00 yearly. This is an average which takes into consideration the cost of the full page advertisements which were placed in several local newspapers in October, 1946, as described in Chapter II, to publicize the initiation of the "Crown College" program.

This cost figure also includes the cost of signs such as the large wooden sign proclaiming "Crown College" which stands on the lawn in front of the plant. The cost of this lettered board was prorated over several years in arriving at the above estimate.

H. Publications

Publications play an important part in keeping interest in the Crown Manufacturing Company's program of collegiate atmosphere alive. The principal publication exclusively published for the "college" program is the monthly magazine--"Crown College" Capers, which was described in Chapter II. This house organ although attractive and interesting is not large (six inches by nine inches) and can be edited and printed at a yearly cost of $600.00. The public relations director of the Axelrod textile empire, to which the Crown Manufacturing Company belongs, acts as editor of

the periodical and any other publications which may occasionally be prepared specifically for the "college" program. He is aided in the preparation of the "Crown College" Capers by a volunteer staff of "students". No employee, other than the director of public relations, is paid for work on the house organ.

I. Educational Programs

As was pointed out in Chapter II, one of the features of the "Crown College" program which makes the "students" feel that they are learning something instead of merely working is the educational program.

The management does not charge any expense to this program. The "students" attend the "extension courses" outside of their working hours, as has been pointed out, and they receive no compensation of any kind. The classes are conducted by company officials and overseers who are interested in the program, and use some of their own time for these teaching duties.

The classes are held in a room in the Crown Annex and the cost is included in the annual charges to the annex building. The cost of printing required for the educational programs is included in the general charge to printing necessary for the "college" program.

J. Annex for "Collegiate" Activities

The Crown Annex, described in Chapter II, was purchased by the company after the start of the "Crown College" program solely for the use of employees engaging in activities connected with the "college" program. The "college" cafeteria, as has been pointed out, is located in the annex. The lounge is also located in this small building. Meetings of the employees' association are held in this structure and some social events sponsored by the association are carried on in it.

The company was fortunate in being able to purchase this useful and convenient building for a fraction of its original cost because the plant which it served as office building no longer stands and there was little demand for it. The Crown Manufacturing Company obtained the structure for $14,000.00. This accounts for about half of the cost of putting into effect the company's program of collegiate atmosphere. The annual charges which accrue for this property amount to about $800.00.

K. Employees' Association

The "Crown College" Employees' Association plans and carries out many of the activities which help to develop a spirit of unity among the "student body". It conducts most of the social affairs and it suggests policies to be applied

to the athletic and welfare programs.

The company does not support the employees' association financially. Management prefers to remain in the background and let the "students" organize and carry out their own activities. Therefore, there is no cost incurred by the company because of this employee organization.

L. Outings and Other Social Affairs

The annual outing of the Crown Manufacturing Company's employees and friends, as was mentioned in Chapter II, is planned and conducted by the employees' association, not by the management. Management cooperates with the association but the responsibility for making all the necessary arrangements lies with the Outing Committee of the employee group. Tickets are sold to finance the project and the prizes awarded to the holders of "lucky" numbers and winners of sports contests are solicited for the occasion from business firms by the company's purchasing agent and plant engineer.

Other social affairs are also planned and carried out by the employees on their own initiative. The company does not make any contribution for the support of these activities. Therefore, no cost is incurred by the company in connection with this phase of the "Crown College" activities.

M. Sewing Classes and Other Similar Employee Activities

In order to develop a well-rounded program of "student" activities the management of the Crown Manufacturing Company has fostered "extra-curricular" activities for older "students" as well as those which appeal primarily to young men and women.

One of the most popular of these functions, engaged in almost exclusively by women, is the sewing classes and allied activities. These classes are held in the Crown Annex. Classes are held during the afternoon for second shift workers and in the late afternoon or evening for first shift workers.

Talented members of the employees' association volunteer to instruct their fellow "students" in the arts of sewing, knitting, weaving, crocheting, and tatting. The classes are informal and are more in the form of a "sewing circle" than a formal class for instruction. The company does not provide financial aid but it provides materials such as yarn, thread, small supplies, and piece goods for the use of the sewing classes at an annual cost of about $600.00.

Other hobby classes are sponsored by the employees' association, on a smaller scale. The facilities of the Crown Annex are available to the "students" for the conduct of these activities. The company supplies no materials or tools for use in any of the hobby classes, other than the sewing classes.

N. Athletic Teams and Other Sports Programs

As was pointed out in Chapter II, one of the phases of the Crown Manufacturing Company's program which most makes the company resemble a college in the eyes of its employees is the athletic program. Although this activity does not involve a large expense, it provides a substantial amount of recreation for the "students" as well as favorable publicity for the "Crown College" program.

The principal costs resulting from the athletic program are those of uniforming, equipping, and transporting the "varsity" softball and basketball teams. The initial cost of purchasing uniforms and equipment for these two teams was slightly over $500.00. The annual cost of providing equipment for these teams, giving awards to members of championship teams, and paying league fees does not exceed $500.00. The ensembles which the cheer-leaders wear are made by the sewing classes mentioned above and therefore are included in the cost of that activity.

These athletic teams not only provide recreation for the "students" who are on their rosters but also for all the other "students" who enjoy athletic contests, since all the company's employees are encouraged to attend the games and these games are made as colorful and well-run as possible.

The "College's" "students" are free to use the

the athletic field and playground adjacent to the plant at any time for informal games, games between teams representing different departments of the plant, or any other activities. They may employ equipment belonging to the company in engaging in these activities.

O. Welfare Programs

The employees' association conducts numerous welfare activities such as sending messages, baskets of fruit, and flowers to the sick; and giving employees' association no financial assistance for the carrying out of these projects.

P. Printing

Various forms, lists, posters, letter-heads, letters, and other printed matter are used as an important part of the "Crown College" program. The application for enrollment in the "college" extension courses is an example of the many forms used exclusively for the program of collegiate atmosphere. The annual cost of this printing averages $500.00.

Q. Total Cost

According to the Vice-President and General Manager of the Crown Manufacturing Company, the total cost of bringing about the desired atmosphere for the "Crown College" program was approximately $25,000.00. This is the sum of

the initial costs of the items listed above. The annual cost of carrying on the program is estimated by the management at $5,000.00.

Whether or not these costs can be justified on the basis of results obtained is not a matter to be considered in this chapter. This question is answered in Chapter VI.

CHAPTER IV

EFFECT OF COLLEGIATE ATMOSPHERE ON INDICATIONS OF LABOR TURNOVER

A. Absenteeism and Tardiness

The purpose of this chapter is to compare the statistics on various indications of labor turnover of the Crown Manufacturing Company before and after the initiation of the program of collegiate atmosphere. There will, of course, not be a direct correlation between the level of activity of the "Crown College" program and the record of the various indications of labor turnover. Other factors will exercise influences which cannot be measured. The reader can determine for himself whether or not he wishes to attach any significance to the changes in the indications of labor turnover considered here.

One common indicator of unrest leading to labor turnover is absenteeism. When only an occasional person fails to come to work regularly the problem of absenteeism may not attract much attention and may in fact not be considered a problem at all. Only when large numbers of persons stay off the job do we hear of "absenteeism". However, it must be remembered that it is the failure of many individuals to come to work that characterizes this common obstacle to full production.

Table II shows the number of cases of absenteeism and tardiness among employees of the Crown Manufacturing

Company in 1946 and 1947 by months. The monthly figures are totals of the daily figures and therefore one person may be included several times in each monthly figure. For example, if an employee was unable to work a single day during a certain month because of illness, he was counted as being absent each work day of that month.

The record of absentees includes all persons who did not come to work regardless of the reasons for absence. It includes persons who were prevented from showing up for work because of personal illness, transportation breakdowns, family illness, or other reasons.

Although some absenteeism will occur because of conditions beyond the control of the worker and even some tardiness is due to unforseen circumstances, it is generally agreed that absenteeism and tardiness records give some measure of industrial unrest. Scott, Clothier, Mathewson, and Spriegel say that, "Absenteeism due to industrial or occupational diseases probably does not exceed three per cent of the total absenteeism."[1]

Keeping in mind the fact that the work force of the Crown Manufacturing Company during 1946 and 1947 varied between 800 and 1,000 will enable one to approximate the rate of absenteeism and tardiness. As Table II shows, in every month of 1947 the number of occurrences of absenteeism

[1]Scott, W.D., R. C. Clothier, S.B. Mathewson, and W.R. Spriegel, Personnel Management, New York, McGraw-Hill Book Company, 1941, p. 381

TABLE II

ABSENTEEISM AND TARDINESS

(Crown Manufacturing Company, 1946 and 1947)

Month	Number of Absences		Number of cases of tardiness	
	1947	1946	1947	1946
January	1340	1951	5407	6701
February	1204	1872	6008	7104
March	1196	1547	4991	5905
April	1051	1681	3971	4851
May	979	1797	3081	4784
June	1067	1484	3987	5798
July	1341	1974	4081	4848
August	1535	2067	3564	3971
September	1154	1741	2995	4204
October	989	1547	3051	4101
November	871	1628	4651	5705
December	1094	1484	5285	6907

Source: Crown Manufacturing Company (Personnel Department), Pawtucket, R.I., February, 24, 1948

was less than in the corresponding month of 1946, and in each case it was considerably less. It should be remembered that the number of employees in 1947 was greater than the number in 1946. In each month of 1947 there were more persons on the payroll than in the corresponding month of 1946. This makes the reduction in the number of absentees more significant.

The occurrences of tardiness showed a similar drop in 1947. The figures for each month of 1947 were below those of the corresponding month of 1946. There is no steady decline in absenteeism or tardiness during either 1946 or 1947 but this is natural since seasonal factors cause some months to be more productive of absenteeism and tardiness than others. However, the trend is downward in both 1946 and 1947.

B. Accidents

Another indication of labor turnover which can be measured is the number and frequency of accidents. In addition to being an indication of labor turnover, accidents account for a part of the cost of labor turnover since the number of accidents among new employees in excess of the rate among the older employees of a company may logically be considered a cost of labor turnover. The direct costs of these accidents may be measured in terms of medical expense, wages lost, and the overhead cost of insurance. However, these direct costs are by no means the only or

the major costs. It has been estimated that the indirect costs of accidents are approximately three or four times as great as the direct costs.[1]

The following indirect or hidden costs usually accrue to the employer in each case of an injury to one of his employees:

1. Cost of lost time of injured employee.
2. Cost of time lost by other employees who stop work.
    a. Out of curiosity
    b. Out of sympathy
    c. To assist injured employee
    d. For other reasons
3. Cost of time lost by foremen, supervisors, or other executives as follows:
    a. Assisting injured employee
    b. Investigating the cause of the accident
    c. Arranging for the injured employee's production to be continued by some other employee.
    d. Selecting, training, or breaking in a new employee to replace the injured employee.
    e. Preparing state accident reports, or attending hearings before industrial commissioners.
4. Cost of time spent on the case by first-aid attendant and hospital staff, when this time is not compensated by insurance.

[1]Heinrich, H. W., "Cost of Industrial Accidents to the State, the Employer, and the Man", Monthly Labor Review, Vol. 31, No. 5, November 1930, p. 74

5. Cost due to injury to the machine, tools, or other property, or to the spoilage of material.

6. Cost due to interference with production, failure to fill orders on time, loss of bonuses, payments of forfeits, and other similar causes.

7. Cost under employee welfare and benefit systems.

8. Cost in continuing the wages of the injured employee in full, after his return--even though the services of the employee (who is not yet fully recovered) may for the time being be worth only about half their normal value.

9. Loss due to the loss of profit on the injured employee's productivity, and on idle machines.

10. Cost of subsequent injuries that occur in consequence of the excitement or weakened morale owing to the original accident.

11. Overhead cost: the expense of heat, light, rent, and other such items--thatcontinue while the injured employee is a nonproducer.[1]

Table III shows the number of lost time accidents for the Crown Manufacturing Company during 1947, by months. It also shows the number of days lost due to accidents in each month. A lost time accident is one which results in an employee having to lose a full day or more from work after the day on which the accident occurred.

The Crown Manufacturing Company kept no records

[1] Ibid.

of accidents prior to 1947 and had no safety director before that time. Although figures on the company's lost time accidents in 1946 were not compiled, the Superintendent states that there is no doubt that the number of lost time accidents and the number of days lost due to accidents in 1947 were considerably less than the number in 1946.[1]

Table III shows that there was a downward trend in the number of lost time accidents and a sharper downward trend in the number of days lost per month due to accidents.

Table IV shows the frequency and severity rates of accidents for the Crown Manufacturing Company in 1947. The frequency rate of accidents is the number of disabling injuries per million man-hours worked. The severity rate of accidents is the number of days lost per thousand man-hours worked. Table IV also gives the national figures for 1946, the latest national figures available, and the figures for the textile industry in 1945 (the latest available) and 1941.

Table IV shows that the Crown Manufacturing Company's frequency rate is slightly above the national figure and that of the textile industry. It also shows that the company's severity rate is considerably below the national

[1]Interview with Mr. Clifton E. Allen, Superintendent, Crown Manufacturing Company, February 24, 1948.

TABLE III

LOST TIME ACCIDENTS AND NUMBER OF DAYS LOST DUE TO ACCIDENTS

(Crown Manufacturing Company, 1947)

Month	Lost Time Accidents	Days Lost Due To Accidents
January	4	122
February	2	139
March	4	123
April	0	39
May	4	85
June	0	106
July	2	112
August	1	45
September	4	70
October	5	40
November	3	26
December	3	44

Source: Crown Manufacturing Company (Safety Director), Pawtucket, R.I., February 24, 1948

TABLE IV

FREQUENCY AND SEVERITY RATES OF ACCIDENTS

(Crown Manufacturing Company, 1947; and National Figures)

Month	Frequency Rate	Severity Rate
January	27.49	.08
February	13.10	.10
March	21.59	.06
April	0.	.26
May	23.97	.51
June	0.	.08
July	15.98	.09
August	7.55	.34
September	28.4	.49
October	31.78	.25
November	5.11	.13
December	19.65	.29
Average for 1947	14.09	.22
National Average 1946	11.44	.78
Textile Industry 1945	12.03	.68
Textile Industry 1941	10.23	.53

Source: Crown Manufacturing Company (Safety Director) Pawtucket, R.I., February 24, 1948.
National Safety Council, Inc., Accident Facts, National Safety Council, Inc., 1942, 1946

rate and almost as far below the rate for the textile industry.

C. Strikes and Work Stoppages

Labor unrest is most easily recognized when it reaches the state of open defiance such as slowing down the work, actual stoppage of work, and an attempt by persuasion or force to keep others from work. The most common outward manifestation of this phase of unrest is the strike and it is the only indication of labor unrest which is universally recognized.

The Crown Manufacturing Company has had no strikes since the present management took over the company. It is reasonable to assume that thousands of work stoppages occur in the United States each year in the light of the fact that over two thousand strikes occur yearly as a result of work stoppages which develop into more serious cleavages of workers from management.[1] No work stoppages have occurred at the Crown Manufacturing Company under the present management.

D. Petitions to Management by Employees

Table V shows the number of complaints and grievances presented to the management of the Crown Manufacturing Company during 1946 and 1947. This includes those submitted directly to the company executives by workers and those

[1] "Strikes in 1939", Monthly Labor Review, May 1940, pp.. 1089-1090

TABLE V

PETITIONS TO MANAGEMENT (COMPLAINTS AND GRIEVANCES)

(Crown Manufacturing Company) BY EMPLOYEES, 1946 and 1947

Month	1947	1946
January	7	9
February	9	7
March	2	4
April	1	6
May	4	1
June	7	4
July	3	6
August	5	5
September	7	8
October	3	5
November	2	7
December	1	2
Total	51	64

Source: Crown Manufacturing Company (Personnel Department) Pawtucket, R.I., February 18, 1948

presented through the employees' elected representatives, the union shop stewards and business agent.

As Table V points out, the number of petitions by employees in 1947 was less than the number in 1946. Sixty-four complaints and grievances were brought to the attention of the management in 1946, while in 1947 only fifty-one such petitions were presented. This occurrence was effected despite the fact that the management encouraged the employees to express their dissatisfactions to a greater extent in 1947 than in 1946.[1]

It should be noted particularly that the number of petitions by employees dropped in the month of December 1946 to two, the second month following the initiation of the "Crown College" program.

E. Waste

One of the foremost objectives of the management of any textile plant is the keeping of waste to a minimum. The textile manufacturing industry is a highly competitive business and reduction of waste to a minimum keeps costs down and helps to bring about more profitable operations. Although some waste is inevitable due to the nature of the operations (for example, combing, an operation usually found

[1] Interview with Mr. Stephen Gnot, Personnel Manager, Crown Manufacturing Company, December 10, 1947

in mills producing yarns, takes short staple fibres out of cotton and as a result 16% to 20% of the stock becomes waste) more than one half of all waste occurs because of carelessness.[1]

Table VI shows the amount of waste salvaged by the Crown Manufacturing Company in 1946 and 1947, by months. The total amount of waste salvaged in 1946 was 177,791 pounds while the total amount in 1947 was 159,888 pounds, a reduction of 17,903 pounds. Naturally, the company has always salvaged as much of its waste asit could since this waste can be sold to dealers who specialize in waste and pay the going market prices for the various types that they purchase.

During nine of the twelve months in 1947 the amount of waste salvaged was less than the amount salvaged in the corresponding months of 1946. The decline in waste in 1947 amounted to a 10.1% decrease over the figure for the previous year.

The most significant aspect of the reduction of waste is the savings which accrue therefrom. By reducing its waste 17,903 pounds in 1947 the Crown Manufacturing Company saved between $10,000 and $15,000. These figures were determined by company officials on the basis of the fact that salvageable waste which might sell for ten cents a

[1] Interview with Mr. Clifton E. Allen, Superintendent, Crown Manufacturing Company, February 24, 1948

TABLE VI

WASTE SALVAGED

(Crown Manufacturing Company, 1946 and 1947)

Month	1947 (pounds)	1946 (pounds)
January	11,195	15,480
February	12,287	16,172
March	14,298	16,154
April	13,875	13,288
May	11,981	14,650
June	10,854	16,105
July	11,671	12,874
August	14,542	17,652
September	13,689	15,193
October	15,554	15,684
November	14,721	12,552
December	15,221	11,987
Total	159,888	177,791

Source: Crown Manufacturing Company (Vice-President and General Manager) Pawtucket, R.I., February 18, 1948

pound would have a value of eighty cents to one dollar or more a pound if saleable as good yarn. Using this premise an estimated saving of $10,000 to $15,000 as the result of a 17,903 pound reduction in waste is conservative.[1]

[1] Interview with Mr. K. B. Cook, Vice-President and General Manager, Crown Manufacturing Company, December 23, 1947

CHAPTER V

EFFECT OF COLLEGIATE ATMOSPHERE ON LABOR TURNOVER

A. Crown Manufacturing Company's Labor Turnover Record

The purpose of this chapter is to compare the Crown Manufacturing Company's labor turnover record before and after the initiation of its program of collegiate atmosphere, to compare its record with that of all manufacturing industries in the United States and in Rhode Island, and to compare its record with that of the textile industry in the United States and in Rhode Island.

There will of course be no direct correlation between the Crown Manufacturing Company's program of collegiate atmosphere and its labor turnover record but some of the relationships between the two may give some indication of the effect, if any, of the "Crown College" program on the company's labor turnover. These relationships will be pointed out and the reader can attach whatever significance he wishes to them.

The reader should keep in mind the fact that the "Crown College" program was begun in October of 1946 and therefore its effect on the company's labor turnover should have begun in the latter part of 1946.

Table VII shows the accessions and separations for the Crown Manufacturing Company in 1946 and 1947. No personnel

TABLE VII

ACCESSIONS AND SEPARATIONS

(Crown Manufacturing Company, 1946 and 1947)

	Accessions		Separations		
	1st Employment	Rehired	Discharges	Layoffs	Quits
1946					
May	42	5	8	-	33
June	40	6	2	1	30
July	52	5	3	1	28
August	58	6	5	1	31
September	131	10	4	1	93
October	83	6	3	4	64
November	114	11	2	3	60
December	76	11	7	3	49
1947					
January	65	8	7	5	38
February	35	6	10	24	37
March	32	5	6	6	40
April	40	18	9	12	41
May	39	6	9	10	27
June	33	7	5	12	25
July	22	5	1	8	25
August	40	7	1	4	37
September	114	32	9	7	63
October	72	17	8	2	40
November	49	11	16	3	36
December	38	8	5	8	19

Source: Crown Manufacturing Company, (Superintendent), Pawtucket, R.I., March 24, 1948

records were maintained by the company prior to January 1946, at which time the present management (which purchased the plant in June 1945) installed a personnel department. Previously the overseers had done their own hiring and firing and there was no centralized control over personnel activities.

In analyzing the Crown Manufacturing Company's labor turnover record it would be well to keep in mind the fact that the company has a policy of hiring each new employee for a thirty day trial period. The company does not have much of a selection procedure, preferring to give almost any prospective worker a trial. Therefore, the company's labor turnover rates would tend to be higher than those of companies which exercise more careful selection and placement.

Although it is probably an inherent defect of plans such as the Crown Manufacturing Company's program of collegiate atmosphere, it may be well to consider the fact that many persons were attracted to the company by the publicity which the "Crown College" idea received and sought employment because they thought that they would not have to work in the same manner that they would in other textile mills. Some of them were disappointed when they found, after they had begun working for the company, that they would have to do a day's work each day just as they would if they were working in any other mill.

Another factor which should not be overlooked when

contemplating the labor turnover rates of the Crown Manufacturing Company is the fact that the present management changed this textile mill from a plant manufacturing cotton yarns to one producing blended fabrics of rayon and wool fibers. This change necessitated eliminating some operations which were being performed at the time of the purchase of the mill. Although the workers who had performed the operations which were eliminated were given the opportunity to learn other jobs, some of them did not want to learn new tasks and preferred to seek employment elsewhere in mills which employed the operations that they had been performing for many years. This was especially true in the case of the older women workers.

For the most part, the above-mentioned changes had only an immediate effect. However, in a few cases the displaced workers remained with the company for some time, attempting to learn a new job before obtaining employment elsewhere or giving up working entirely.

Another similar influence on the company's labor turnover rates was the installation of much new and modern machinery, in many cases replacing antiquated machines, some of which was so unique that workers had to be schooled in its operation even though they were veterans of twenty years or more in that phase of the textile industry. There was a reluctance on the part of many workers to learn the operation

of these new machines and in some cases employees left the company solely because of these technological changes.

These changes of machinery did not occur all at once but extended over a considerable period of time. Much new machinery was added during the winter of 1946-47 and the spring of 1947 and additional machinery was installed after this period from time to time, with replacements occurring even at the end of 1947. Therefore, the company's labor turnover rates would tend to be slightly higher than they would have been if none of these technological changes had taken place.

Table VII shows that the initiation of the "Crown College" program, with its attendant publicity, in October 1946 was followed by a large increase in the number of accessions. More than twice as many persons were hired in November 1946 as were hired in any previous month with the exception of September. Less than half the accessions in November were replacements, resulting in a large net gain for the company. The large number of accessions in September 1946, prior to the inauguration of the program of collegiate atmosphere, is explained by the fact that many persons who are not in the position of having to work regularly (mostly women) do not work during the summer but seek work in September when the weather is cooler and family duties are lighter due to the fact that children are attending school.

The large increase in accessions in excess of separations during the latter part of 1946 and the first half of 1947 reflects the need for additional employees with which the Crown Manufacturing Company was faced in the fall of 1946 and the apparent role of the program of collegiate atmosphere in attracting the needed workers.

Table VII also shows that separations in November 1946 were less than the number in each of the two previous months but higher than in the other months of the year for which figures are available. Separations in December 1946 were fewer than in November. These figures cannot be compared directly since the number of employees on the company's payroll after the beginning of the "Crown College" program was considerably greater than it had been previously.

Table VIII gives the monthly labor turnover rates per 100 employees for the Crown Manufacturing Company in 1946 and 1947. These rates were computed from the data in Table VII and the number of persons on the payroll on the first of each month and at the end of each month as furnished by the company. Since it is not logical to compare one month with another because of the variation in the number of work days in the month, this table was converted to one giving the equivalent annual rates by multiplying the actual monthly turnover rates by a factor equivalent to 365 divided by the number of days in the given month.

TABLE VIII

MONTHLY LABOR TURNOVER RATES (PER 100 EMPLOYEES)

(Crown Manufacturing Company, 1946 and 1947) BY CLASS OF TURNOVER

Class of turnover and year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Total Accessions: 1947	8.2	4.6	4.3	6.8	5.3	4.7	3.2	5.6	16.6	9.5	6.3	4.8
1946					7.1	6.9	8.3	9.0	19.6	11.4	15.2	10.1
Total Separations: 1947	5.6	8.0	6.0	7.3	5.4	4.9	4.0	5.0	9.0	5.4	5.7	3.3
1946					6.2	4.9	4.7	5.2	12.9	9.1	7.9	6.8
Quits: 1947	4.3	4.2	4.6	4.8	3.2	2.9	3.0	4.4	7.1	4.3	3.8	1.9
1946					5.0	4.5	4.1	4.3	12.3	8.2	7.3	5.7
Discharges: 1947	.8	1.1	.7	1.1	1.1	.6	.1	.1	1.0	.9	1.7	.6
1946					1.2	.3	.4	.7	.5	.4	.2	.8
Layoff: 1947	.6	2.7	.7	1.4	1.2	1.4	.9	.5	.8	.2	.3	.8
1946					0	.2	.1	.1	.1	.5	.4	.3

Source: Computed from data on Accessions, Separations and number on the payroll on the first of each month and at the end of each month furnished by the Crown Manufacturing Company, Pawtucket, R.I., March 24, 1948

Table IX shows the equivalent annual monthly labor turnover rates for the Crown Manufacturing Company in 1946 and 1947, computed as explained before. This table shows that the accession rate in November 1946 was higher than in any previous month with the exception of September, which always has a high accession rate for the reasons given above. This coincides with the beginning of the "Crown College" program.

The Company's separation rate declined in November 1946 and continued to decline in December and January of 1947. In every month of 1947 the rate of separations was below that of the corresponding month of 1946. This indicates the possible favorable influence of the program of collegiate atmosphere. The lower rate of separations in 1947 was due mostly to the lower quit rates since Table IX. shows that the rate of discharges and the rate of layoffs were generally higher in 1947 than in 1946. The improved working conditions under the "Crown College" program may have been responsible in large measure for the reduction in the quit rate.

As Chapter I pointed out, the most significant rate of labor turnover which has thus far been devised is the net labor turnover rate, the number of replacements per 100 workers of the average work force. An examination of Table X reveals that the net labor turnover rates of the Crown Manufacturing Company were lower in every month of 1947 than in the

TABLE IX

EQUIVALENT ANNUAL MONTHLY LABOR TURNOVER RATES (PER 100 EMPLOYEES) (Crown Manufacturing Company, 1946 and 1947) BY CLASS OF TURNOVER

Class of turnover and year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Total Accessions												
1947	97	60	36	83	63	57	38	66	202	112	77	57
1946					84	83	98	106	226	135	185	119
Total Separations:												
1947	66	104	71	89	64	60	47	59	110	64	67	39
1946					73	60	55	61	157	107	96	80
Quits:												
1947	50	55	54	58	37	35	35	52	86	50	46	22
1946					59	55	48	50	150	91	89	67
Discharges												
1947	9.4	14	8.2	13	13	7.3	1.2	1.2	12	11	21	7.1
1946					14	3.7	4.7	8.2	6.1	4.7	2.4	9.4
Layoff:												
1947	7.1	35	8.2	17	14	17	11	5.9	9.7	2.4	3.7	9.4
1946					0	2.4	1.2	1.2	1.2	5.9	4.9	3.5

Source: Computed from data in Table VIII

TABLE X

NET LABOR TURNOVER RATES
(Crown Manufacturing Company) ALL INDUSTRIES IN THE UNITED STATES, MANUFACTURING INDUSTRIES IN RHODE ISLAND, TEXTILE-MILL PRODUCTS INDUSTRIES IN THE UNITED STATES, AND TEXTILE-MILL PRODUCTS INDUSTRIES IN RHODE ISLAND

Crown Manufacturing Company

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1947	5.6	4.6	4.3	6.8	5.3	4.7	3.2	5.0	9.0	5.4	5.7	3.3
1946					6.2	4.9	4.7	5.2	12.9	9.1	7.9	6.8

All Industries in the United States

1947	4.9	4.5	4.5	5.1	4.8	4.7	4.5	5.3	5.9	5.0	4.0	3.6
1946	6.8	6.3	6.6	6.3	6.1	5.7	5.9	6.6	6.9	6.3	4.9	4.5

Textile-Mill Products Industries in the U.S.

1947	5.3	4.6	4.9	4.9	4.5	4.3	4.5	5.3	5.3	4.8	3.7	3.0
1946	6.4	5.9	6.4	5.9	6.1	5.5	6.3	6.0	6.1	5.3	4.7	4.0

Manufacturing Industries in Rhode Island

	Feb	Apr	Jun	Aug	Oct	Dec
1947	4.9	5.1	4.5	5.4	5.7	5.5
1946	6.2	6.1	5.5	6.2	5.8	4.4

Textile-Mill Products Industries In Rhode Island

1947	4.2	4.3	4.1	4.3	4.0	4.4
1946	5.2*	5.3*	4.4*	5.1*	4.8*	3.7

*Figures are for Woolen and Worsted textile products industries.

Source: Computed from data in Tables VII, XI, XII, XIII, and SIV

corresponding month of 1946. The company's program of collegiate atmosphere may have helped to reduce its net labor turnover rate.

B. Comparison of The Record With That Of All Manufacturing Industries

1. In the United States

This section will compare the Crown Manufacturing Company's labor turnover rates with those for all manufacturing companies in the United States, as computed by the Bureau of Labor Statistics of the U. S. Department of Labor, and all manufacturing industries in the state of Rhode Island, as computed by the Rhode Island Branch of the United States Employment Service.

Table XI gives the monthly labor turnover rates in manufacturing industries in the United States in 1946 and 1947. From the data in Table XI the net labor turnover rates were computed and these are presented in Table X, where they may be compared with the net labor turnover rates for the Crown Manufacturing Company during the same period.

Table X on the preceding page shows that the company's net labor turnover rates subsequent to the beginning of the "Crown College" program were slightly above those for all industries in the United States for the majority of the months.

TABLE XI

MONTHLY LABOR TURNOVER RATES (PER 100 EMPLOYED) IN MANUFACTURING INDUSTRIES IN THE UNITED STATES BY CLASS OF TURNOVER, 1946 and 1947

Class of turnover and year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Total Accessions:												
1947	6.0	5.0	5.1	5.1	4.9	5.5	4.8	5.3	5.9	5.5	4.9	3.6
1946	8.5	6.8	7.1	6.7	6.1	6.7	7.4	7.0	7.1	6.9	5.7	4.3
Total Separations:												
1947	4.9	4.5	4.5	5.2	5.4	4.7	4.5	5.3	5.9	5.0	4.0	3.7
1946	6.8	6.3	6.6	6.3	6.3	5.7	5.8	6.6	6.9	6.3	4.9	4.5
Quits:												
1947	3.5	3.2	3.5	3.7	3.4	3.1	3.0	4.0	4.5	3.6	2.7	2.3
1946	4.3	3.9	4.3	4.3	4.2	4.0	4.6	5.3	5.3	4.7	3.7	3.0
Discharges:												
1947	.4	.4	.4	.4	.4	.4	.4	.4	.4	.4	.4	.4
1946	.5	.5	.4	.4	.4	.3	.4	.4	.4	.4	.4	.4
Lay-off:												
1947	.9	.8	.8	1.0	1.5	1.1	1.0	.8	.8	.9	.8	.9
1946	1.8	1.7	1.8	1.4	1.5	1.2	.6	.7	1.0	1.0	0.7	1.0
Miscellaneous, including military:												
1947	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1
1946	.2	.2	.2	.2	.2	.2	.2	.2	.2	.2	.1	.1

Source: Bureau of Labor Statistics, Monthly Labor Review, February 1946 to February 1948, "Labor Turnover In Manufacturing, Mining, and Public Utilities".

2. In Rhode Island

Table XII presents the accessions and separations per 100 employed workers in industries in the Providence, Rhode Island labor market area, bi-monthly for 1946 and 1947. The Providence labor market area includes all of the state of Rhode Island with the exception of Newport County which has a very small proportion of the total industry in Rhode Island. Since the Crown Manufacturing Company is in this labor market area, its turnover rates should compare favorably with the rates for industry in the area if it is to have a satisfactory personnel situation.

The net labor turnover rates computed from the date in Table XII are included in Table X. Table X shows that for the majority of the months following the initiation of the "Crown College" program the Crown Manufacturing Company's net labor turnover rates were lower than those for all manufacturing industries in its labor market area.

C. Comparison of the Record With That of the Industry

1. In the United States

It is more logical to expect the turnover rates of the Crown Manufacturing Company to compare favorably with those for the textile industry in the United States than it isto expect them to be in line with the rates for all manufacturing industries in the United States. As Chapter I

TABLE XII

ACCESSIONS, SEPARATIONS (PER 100 EMPLOYED WORKERS)

IN MANUFACTURING INDUSTRIES IN THE PROVIDENCE, RHODE ISLAND LABOR MARKET AREA[1]
1946 AND 1947

	Feb	Apr	Jun	Aug	Oct	Dec
Total Accessions (Manufacturing & Non-Manufacturing)						
1947	4.5	4.8	4.5	6.5	5.9	6.0
1946	7.5	6.5	5.7	6.5	6.4	4.6
Total Separations (Manufacturing & Non-Manufacturing)						
1947	6.3	7.2	4.7	5.2	5.6	5.4
1946	6.0	5.9	5.6	6.1	5.6	5.6
Total Manufacturing Accessions						
1947	4.9	5.1	4.5	7.0	7.1	6.9
1946	7.7	6.9	5.9	7.0	6.7	4.4
Total Manufacturing Separations						
1947	7.1	7.9	4.7	5.4	5.7	5.5
1946	6.2	6.1	5.5	6.2	5.8	4.9

[1] The Providence R.I. Labor Market comprises all of the state of Rhode Island except Newport County.

Source: Rhode Island Branch, U.S. Employment Service, Labor Market Report for Providence Labor Market Area, March 1947 - January 1948 Published bi-monthly and statistics on labor turnover rates in the Providence Labor Market Area, January 1946-January 1947. Furnished by the R.I. Branch, U.S. Employment Service.

pointed out, the Crown Manufacturing Company is a textile mill, producing blended fabrics of rayon and wool fibers.

Table XIII gives the monthly labor turnover rates in textile-mill products industries in the United States in 1946 and 1947. The net labor turnover rates obtained from the data in this table are included in Table X.

Comparison of the net labor turnover rates in the Crown Manufacturing Company and those of the industry in the United States reveals that the rates for the industry were slightly lower than those of the Crown firm for the majority of the months following the inception of the program of collegiate atmosphere.

2. In Rhode Island

The firms which are in a position most nearly comparable to that of the Crown Manufacturing Company are the concerns in the same industry in the same labor market area. Therefore, the best basis on which to judge the Crown Manufacturing Company's labor turnover record is the turnover record of the textile industry in the Providence, R.I. labor market area.

Table XIV lists the accessions and separations per 100 employees in textile-mill products industries in the Providence, R.I. labor market area for alternate months of 1946 and 1947. Prior to December 1946 rates were computed by

TABLE XIII

MONTHLY LABOR TURNOVER RATES (PER 100 EMPLOYEES) IN TEXTILE-MILL PRODUCTS INDUSTRIES IN THE UNITED STATES BY CLASS OF TURNOVER, 1946 AND 1947

Class of turnover and year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Total Accessions:												
1947	6.2	5.3	4.9	4.9	4.5	4.3	4.5	5.3	6.1	5.9	4.0	3.3
1946	9.2	7.4	7.0	6.3	6.6	6.6	6.5	6.4	6.6	6.1	5.7	4.1
Total Separations:												
1947	5.3	4.6	4.9	5.5	5.9	5.0	4.9	5.3	5.3	4.9	3.7	3.0
1946	6.4	5.9	6.4	5.9	6.1	5.5	6.3	6.0	6.1	5.3	4.7	4.0
Quits:												
1947	4.2	3.5	3.7	4.0	3.9	3.2	3.4	4.1	4.3	3.9	2.9	2.2
1946	5.3	4.9	5.4	5.1	4.9	5.4	5.5	5.2	5.4	4.6	4.0	3.3
Discharges:												
1947	.4	.4	.4	.4	.4	.3	.3	.4	.4	.4	.4	.3
1946	.5	.4	.4	.4	.3	.3	.3	.4	.4	.4	.4	.3
Layoff:												
1947	.6	.6	.7	1.0	1.6	1.4	1.0	.7	.5	.5	.4	.4
1946	.4	.4	.4	.2	.2	.3	.3	.3	.2	.2	.2	.3
Military and Miscellaneous												
1947	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1
1946	.2	.2	.2	.2	.2	.1	.2	.1	.1	.1	.1	.1

Source: Bureau of Labor Statistics, Monthly Labor Review, February 1946 - February 1948 "Labor Turnover in Manufacturing, Mining, and Public Utilities".

TABLE XIV

ACCESSIONS AND SEPARATIONS (PER 100 EMPLOYED WORKERS)

IN TEXTILE-MILL PRODUCTS INDUSTRIES IN THE PROVIDENCE, RHODE ISLAND LABOR MARKET AREA, 1946 AND 1947

	Feb	Apr	Jun	Aug	Oct	Dec
Total Textile-Mill Products Accessions:						
1947	4.2	4.3	4.1	4.9	5.7	5.9
1946						4.3
Total Textile-Mill Products Separations:						
1947	6.6	6.9	4.5	4.3	4.0	4.4
1946						3.7
Cotton Textile-Mill Products Accessions:						
1946	6.7	6.7	5.7	6.7	6.3	
Separations						
1946	5.5	6.7	4.9	5.6	6.1	
Silk and Rayon Textile Products Accessions:						
1946	10.2	8.4	6.6	5.6	5.5	
Separations						
1946	7.8	5.7	5.6	5.8	5.7	
Woolen & Worsted Textile Products Accessions:						
1946	7.9	5.9	4.4	5.2	5.2	
Separations:						
1946	5.2	5.3	5.2	5.1	4.8	
All Other Textile Mill Products Accessions:						
1946	5.2	5.3	3.4	4.9	4.0	
Separations:						
1946	4.8	4.6	3.2	3.9	3.9	

Source: Same as Table XII.

the Rhode Island Branch of the United States Employment Service for four separate types of textile-mill products industries but after that time rates were computed only for the textile-mill products industry as a whole.

The net labor turnover rates computed from the data in Table XIV are included in Table X. For the months in which the rates for the industry as a whole were not compiled by the Rhode Island Branch of the United States Employment Service, the figures for the woolen and worsted textile products industry were used to compute the net labor turnover rate. As mentioned above, the Crown Manufacturing Company produces blended fabrics of rayon and wool fibers. Since the company does not produce its own rayon yarns but does make its own woolen yarns, which are blended with rayon yarns obtained from other companies, it is logical to place it in the category of woolen and worsted textile products firms.

An analysis of the net labor turnover rates of the Crown Manufacturing Company and the textile industry in Rhode Island reveals that the company's labor turnover record is not quite on a par with that of the industry. In every month compared, with the exception of December 1947, the company's net labor turnover rate was higher than that of the industry.

CHAPTER VI

EVALUATION OF COLLEGIATE ATMOSPHERE IN THE FACTORY AS A MEANS OF REDUCING LABOR TURNOVER

Since the Crown Manufacturing Company of Pawtucket, Rhode Island is the only industrial firm which has carried on an avowed program of creating a college atmosphere, in the context mentioned earlier, the only basis which can be used to evaluate such a program as a means of reducing labor turnover is the experience of the above concern.

Chapter III listed in detail the expenses incurred by the Crown Manufacturing Company in putting into effect its program of collegiate atmosphere and the estimated annual expenses required to carry on the program. The total cost of making the plan a reality was shown to be about $25,000.00 This cost should be prorated over a period of at least ten years since these initial expenses will not have to be repeated more than once in every decade and most of them will not occur that frequently.

Prorating the $25,000.00 initial cost over a ten-year period gives an annual expense rate of $2,500.00. This is little more than the annual wage of one production worker and is a cost per employee of about $2.78 per year (the company had more than 900 employees at all times subsequent to September 30, 1947).

The estimated annual cost of continuing the "Crown

College" program, as presented in Chapter III is approximately $5,000.00. Adding this figure to the annual rate of fixed charges of $2,500.00 mentioned above gives an annual cost for the program of $7,500.00. This is $8.34 annually per employee.

If the Crown Manufacturing Company were to abandon its program of collegiate atmosphere, the saving would enable it to add the trifling sum of sixteen cents to the weekly wage of each of its employees. It is doubtful that such an insignificant wage increase, one amounting to less than one-half cent per hour, would increase employee morale and decrease labor turnover more than a concrete program for improving working conditions and providing educational and recreational facilities such as the "Crown College" plan.

Although the available evidence by no means proves conclusively that the "Crown College" program reduced the Crown Manufacturing Company's labor turnover, the favorable change in each one of the indications of labor turnover for which data are available after the initiation of the program and the reduction of the company's net labor turnover rate point to the possibility that the program of collegiate atmosphere has had a favorable effect on the labor turnover.

The fact that the company's turnover rates subsequent to the beginning of the "Crown College" program were in line with those for all manufacturing industries in the United States, all manufacturing industries in its labor

market area, and the textile industry in the United States; and only slightly above the turnover rates for the textile industry in its labor market area, indicates that there is a strong possibility that the program of collegiate atmosphere has been beneficial.

However, all the elements of the "Crown College" program, except the titles, should be a part of any good personnel program. Since this program of collegiate atmosphere has not accomplished any striking results, other than attracting a fairly large number of new workers to the company, it does not appear that the psychological effect of the "collegiate" atmosphere has made it a substantially better means of reducing labor turnover than the conventional personnel program with the same elements.

Since a similar program could be carried out by any manufacturing concern having a fairly attractive plant as an alternative to a conventional personnel program, it might be advisable for manufacturing firms whose employees indicate a desire for a "college" atmosphere (their version of a college atmosphere) to attempt such a program. Like the management of the Crown Manufacturing Company, when it learned that the employees were calling the mill "the college", they might do well to go along with the gag.

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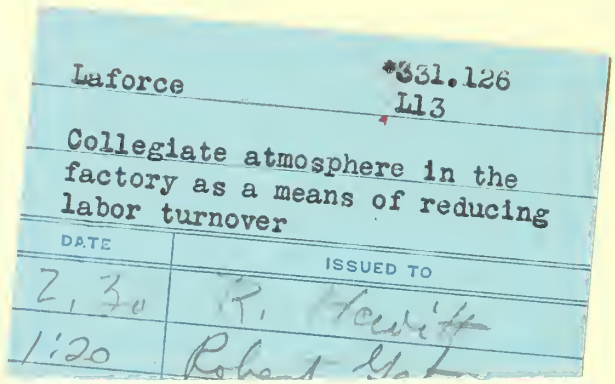

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Collegiate atmosphere in the factory as a means of reducing labor turnover

DATE	ISSUED TO
2.3.40	R. Hewitt
1:20	Robert La[illegible]

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